IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

THETA IP, LLC, Plaintiff, v. SAMSUNG ELECTRONICS CO., LTD., SAMSUNG ELECTRONICS AMERICA, INC. Defendants.	C.A. No. 2:16-cv-00527-JRG-RSP **JURY TRIAL DEMANDED**

PLAINTIFF THETA IP, LLC'S EMERGENCY MOTION TO QUASH THIRD PARTY QUALCOMM, INC.'S OBJECTION TO DR. SMITH UNDER THE SUPPLEMENTAL PROTECTIVE ORDER

I. Introduction

Theta carefully chose its technical advisor, Dr. Malcolm Smith, due to his expertise in reviewing both circuit-level schematics and source code. Theta disclosed Dr. Smith to third party Qualcomm and, pursuant to the Supplemental Protective Order, Qualcomm objected, claiming that Dr. Smith should not be able to view confidential business information because of the possibility that Dr. Smith will disclose trade secret or other sensitive information. Qualcomm's objection is based not in fact, but in pure speculation. Dr. Smith's excellent qualifications and proven, unyielding record of maintaining the confidentiality of the information entrusted to him by his clients, in addition to his demonstrated willingness to be bound by the parameters of the Protective Order and Supplemental Protective Order, prove the baselessness of Qualcomm's objection. Theta asks the Court to quash Qualcomm's objection. Because opening expert reports are due on July 17, 2017, Theta requests that the Court consider its Emergency Motion with as much urgency as possible.

II. Factual Background

a. Theta's disclosure of Dr. Smith and Qualcomm's ongoing objections

On April 18, 2017, pursuant to Section V of the Supplemental Protective Order Between Qualcomm Inc., Plaintiff, and Defendants (D.I. 47), Theta disclosed Dr. Malcolm Smith as a technical advisor to Donn Waslif, David Kays, and Freeda Lugo (attorneys for third-party Qualcomm, Inc.). Phelan Decl. Ex. 1. Theta's disclosure included Dr. Smith's *curriculum vitae* (Phelan Decl. Ex. 2), signed Exhibits A and B to the Supplemental Protective Order (Phelan Decl. Ex. 3), and signed Exhibit A to the Protective Order (D.I. 40) (Phelan Decl. Ex. 4). In addition, the disclosure included a list of Dr. Smith's consulting clients for the last four years, the dates of those arrangements, and brief descriptions of the subject matter of the consultancies.

Phelan Decl. Ex. 1. Theta also disclosed the fact that Dr. Smith has no prior professional contact with Theta or Samsung, but that he did once interview for an engineering position with Qualcomm. *Id*. Finally, Theta's disclosure indicated that Dr. Smith has not testified at trial or deposition in the past six years. *Id*.

On April 21, 2017, Mr. Waslif responded to Theta's disclosure with certain questions about Dr. Smith's employment history. Phelan Decl. Ex. 5 (first April 21, 2017 email from Mr. Waslif). Later that day, Mr. Waslif sent a second email with additional questions about Dr. Smith's employment situation. Phelan Decl. Ex. 6 (second April 21, 2017 email from Mr. Waslif). Mr. Waslif's second email inquired as to whether Dr. Smith was "doing any development work" and requested that "[i]f so, please discuss." *Id*.

Theta responded on April 24, 2017, answering Mr. Waslif's inquiries related to Dr. Smith's employment situation and requesting clarification as to what Mr. Waslif meant by "development work." Phelan Decl. Ex. 7 (April 24, 2017 email from Mr. Phelan). In Theta's response, it clarified that "Dr. Smith is not doing any integrated circuit design, but he is engaged in some system level design and testing, but the technology involved there is related to radar, not communications." *Id.*

On April 25, 2017, Mr. Waslif responded that "Qualcomm objects to Malcolm Smith and cannot grant him access to its CBI in this matter. According to his disclosures, Dr. Smith is engaged in RF circuit design consulting and Qualcomm intends to produce RF circuit, systems and verification documents in this matter." Phelan Decl. Ex. 8 (April 25 email from Mr. Waslif).

Theta responded the next day, asking Qualcomm to clarify its objection since Theta's April 21 email specifically stated that "Dr. Smith is not engaged in circuit design." Phelan Decl. Ex. 9 (April 26, 2017 email from Mr. Phelan) (emphasis in original). Theta also asked for a meet and confer on the issue of whether, given this information, Qualcomm intended to maintain its objection on these grounds. *Id.*

On April 27, 2017, the parties held a telephonic meet and confer regarding Qualcomm's objection to Dr. Smith. Phelan Decl. Ex. 10 (April 27 email from Mr. Waslif). On that call, Theta clarified that Dr. Smith's only ongoing engagements were with Innsystec and American Software Company, but noted that Dr. Smith also has an arrangement with Besser Associates which consists only of a teaching position and Dr. Smith was not teaching a class for Besser at the present time, as explained in an earlier correspondence. *Id.*; *see also* Phelan Decl. Ex. 7.

Qualcomm responded on April 28, 2017, maintaining its objection to Theta's designation of Dr. Smith as its technical advisor. Phelan Decl. Ex. 11 (April 28, 2017 email from Mr. Waslif). Qualcomm identified language listed on Dr. Smith's website stating that he offers design services related to the technology at issue in Theta's lawsuit against Samsung. Qualcomm clarified that "[s]pecifically, Mr. Smith's consulting work for Innsystec presents a conflict. We do not see how Mr. Smith can view Qualcomm's documents and honor the commitments required by the SPO." *Id.*

Theta requested a second meet and confer on the issue of Dr. Smith's consultation with Innsystec on May 1, 2017. Phelan Decl. Ex. 12 (May 1, 2017 email from Mr. Phelan). The parties held a telephonic meet and confer on May 2, 2017. Phelan Decl. Ex. 13 (May 3, 2017 email from Mr. Phelan). On that call, Theta explained that Dr. Smith's work with Innsystec did not amount to circuit design. *Id.* Theta informed Qualcomm that "[i]nstead, [Dr. Smith] reviews their existing designs and weighs in on their performance." *Id.* Theta went on to provide substantial detail regarding Dr. Smith's relationship with Innsystec:

> For example, Innsystec will provide Dr. Smith with performance numbers for an existing design and Dr. Smith will give his opinion

> as to whether those numbers meet expected performance levels. Or, Innsystec will provide Dr. Smith with certain performance measurements which are not meeting expectations. They will provide Dr. Smith with the tests they ran as well as the results. Then, Innsystec will tell Dr. Smith what it thinks is the cause of the underperformance and ask him what further testing, if any, they should conduct in order to test their hypothesis and solve the problem.

Id. On that call, Theta also proposed an alternative solution: namely, that Dr. Smith would suspend his consultancy with Innsystec while he had access to Qualcomm protected material. In its May 3, 2017 email, Theta inquired as to whether Qualcomm would withdraw its objection if Dr. Smith suspended his relationship with Innsystec. *Id.*

Theta followed up with Qualcomm on May 5, 2017 and again on May 8, 2017. Phelan Decl. Exs. 14-15. Mr. Waslif responded on May 8, 2017 that he had not heard from Qualcomm and would follow up as soon as he had. Phelan Decl. Ex. 16.

Theta sent another inquiry as to the status of Qualcomm's objection on May 10, 2017. Phelan Decl. Ex. 17. Mr. Waslif responded later that day, informing Theta that Qualcomm would maintain its objection to Dr. Smith, without weighing in on whether Qualcomm would withdraw its objection if Dr. Smith suspended his consultancy with Innsystec. Phelan Decl. Ex. 18. Theta asked for clarification on this point in an email dated May 11, 2017. Phelan Decl. Ex. 19. Mr. Waslif replied later that evening and stated that "[w]e are looking into this and will get back to you." Phelan Decl. Ex. 20.

On May 14, 2017, Theta clarified that Dr. Smith had only performed "3-4 hours of consulting for Innsystec over the course of their relationship." Phelan Decl. Ex. 21. Theta went on to explain that "[Dr. Smith] is not currently consulting with or for Innsystec and is willing to suspend his consultancy with Innsystec until he ceases to have access to highly confidential material from Qualcomm, as required by Paragraph 42 of the SPO." *Id.* Theta also requested that "[s]ince the basis for Qualcomm's objection was Dr. Smith's relationship with Innsystec, and Dr. Smith has agreed to suspend that relationship, please confirm that Qualcomm will withdraw its objection." *Id.* Theta also asked for a third meet and confer on this issue. *Id.*

The parties conducted a telephonic meet and confer on May 16, 2017. On this call, Qualcomm expanded its objection beyond Dr. Smith's consultancy with Innsystec and voiced concerns with his participating in any design whatsoever. At the conclusion of the call, Qualcomm represented that it would lay out its objection in full in follow-up correspondence the next day. On May 17, 2017, Qualcomm sent a six page letter laying out in full, for the first time, a detailed explanation of the factual and legal basis for its objection. Phelan Decl. Ex. 22 (May 17, 2017 letter from Qualcomm's counsel).

b. Dr. Smith's qualifications and consulting business

Dr. Smith is a uniquely qualified expert with more than 30 years of experience in the industry. *See* Phelan Decl. Ex. 2. Dr. Smith received his bachelor's degree in microelectronics, with honors, from the University of Edinburgh, his master's degree in digital systems design and instrumentation from the University of Westminster, and his doctorate in electronic engineering from the University of Kent. *Id*. Dr. Smith's employment history includes Lucent Technologies' Bell Labs (where he was a member of the technical staff in the wireless and microelectronics groups), Intel Corp. (where he was a senior staff analog design engineer), and Amalfi Semiconductor (where he was Director of RF Systems, Director of Analog Design, and a system architect). *Id*. Recently, Dr. Smith founded AnalogSmith Design Solutions, LLC, where he has the title of "Managing Consultant." *Id.*

Dr. Smith's qualifications in the field are unique because he is capable of reviewing not only the circuit-level schematics that Qualcomm has agreed to produce, but also the source code associated therewith. Smith Decl. at ¶ 5.While it is common to find an expert witness candidate who is familiar with reviewing either circuits or source code, Dr. Smith's expertise in both areas makes him exceptionally qualified for the needs of the instant case. *Id*.

Dr. Smith's current consulting business focuses mainly on architectural definition over circuit design. *Id*. at ¶ 2. The majority of his clients over the last three years have not requested his design services; rather, Dr. Smith has consulted on market analysis, testing, system performance specification and modeling and architectural definition. *Id*. Dr. Smith is not currently engaged in circuit design of any kind. *Id*.

Moreover, maintaining confidential information is fundamental to Dr. Smith's business. *Id*. at ¶ 4.Violating a confidentiality agreement or disclosing confidential information in any way would cause potentially irrevocable damage to his career. *Id*.Over the last three decades, Dr. Smith has always maintained the confidentiality required by the various agreements he has signed. *Id*. at ¶ 3.He has never been accused of, or even approached about, a breach of confidentiality – inadvertent or otherwise. *Id*. at ¶ 4.

III. Argument

a. Qualcomm is improperly using the Supplemental Protective Order in an attempt to disqualify Dr. Smith.

As discussed above, Dr. Smith is eminently qualified and is not engaged in the type of employment or consulting that would put Qualcomm's protected information at risk. Nevertheless, Qualcomm has objected and indicated that it will maintain its objection to Dr. Smith. The desired effect of Qualcomm's objection is to prevent Dr. Smith from viewing any confidential material. Although Qualcomm is treating this issue to Dr. Smith as an objection under the Supplemental Protective Order, it is really an expert disqualification motion. The remedy sought by Qualcomm would prevent Dr. Smith from viewing any confidential Qualcomm material. This would render Dr. Smith useless for his essential purpose as a technical advisor for Theta and thereby effectively disqualify him from the case.

b. Qualcomm cannot show good cause for disqualifying Dr. Smith

The party seeking disqualification bears the "good cause" burden. *See In re Roman Catholic Archbishop of Portland*, 661 F.3d 417, 424 (9th Cir. 2011) (stating that a "party opposing disclosure has the burden of proving 'good cause'). In all things, "the facts, not the category must inform the result . . . each case must be decided based on the specific facts involved therein." *In Re Deutsche Bank Trust Co. Ams.*, 605 F.3d at 1379.

Protective orders restricting the use of information to the case at hand are usually sufficient to protect the parties' confidential business interests. *In re Dell, Inc.*, 498 F. App'x 40, 42(Fed. Cir. 2012) (citation omitted). In "limited circumstances," there may be grounds to disqualify competitive decision makers from any review whatsoever of the information. *Id.* However, such disqualification cannot be made on "general assumptions" or a "categorical presumption." *Id.* at 43. If there is to be disqualification, it must be "grounded in the actual 'factual circumstances surrounding each individual['s] . . . activities, association, and relationship with a party.'" *Id.* (citation omitted). The party attempting to establish good cause must demonstrate "a clearly defined and serious injury to the party seeking closure." *Round Rock Research, LLC v. Dell Inc.*, No. 4:11-CV-332, 2012 WL 1848672, at * 2, (E.D. Tex. Apr. 11, 2012) (citation omitted). To establish good cause for objecting to an outside expert, "courts have generally required specific examples of articulated reasoning as opposed to stereotyped and conclusory statements." *Promega Corp. v. Applera Corp.*, No. 01-C-244-C, 2002 WL 32359938, at *7 (W.D. Wis. June 7, 2002).

c. The harm to Theta IP must be considered as a part of the "good cause" balancing test.

Disqualification of an expert on grounds that a confidence may be violated is "a drastic measure that courts should impose only hesitantly, reluctantly, and rarely." *Hewlett-Packard Co. v. EMC Corp.*, 330 F. Supp. 2d 1087, 1092 (N.D. Cal. 2004). Disqualification of expert witnesses requires the application of the same fundamental principles as disqualification of attorneys. *Koch Refining Co. v. Jennifer Boudreaux, MV*, 85 F.3d 1178, 1183 (5th Cir. 1996) ("The main policy objectives militating against disqualification are ensuring that parties have access to expert witnesses who possess specialized knowledge and allowing experts to pursue their professional calling.") [internal quotation and citation omitted].

The harm caused to Theta of losing its expert must also be considered. *See In re Deutsche Bank Trust Company Americas*, 605 F.3d at 1380 (Speaking of attorneys, "[T]he district court must balance [any risk to the movant] against the potential harm to the opposing party from restrictions imposed on that party's right to have the benefit of counsel of its choice.") Forcing a party to obtain a new expert late in the game in a complex case "would create an extreme and unnecessary hardship." *See id.* at 1381 (citation omitted). Again speaking of attorneys, "inflexible application of a professional rule is inappropriate because frequently it would abrogate important societal rights, such as the right of a party to his counsel of choice and an attorney's right to freely practice her profession." *In re Dell, Inc.*, 2012 WL 5210091, at *3, quoting *Federal Deposit Ins. Corp. v. United States Fire Ins. Co.*, 50 F.3d 1304, 1314 (5th Cir. 1995). "[A]ttorney disqualification, ... is a sanction that must not be imposed cavalierly." *Federal Deposit Ins. Corp. v. United States Fire Ins. Co.*, 50 F.3d at 1316.

d. Qualcomm's position would eliminate all potential experts

In its May 17, 2017 letter, Qualcomm's objections against Dr. Smith illustrates that Qualcomm will object to any of Theta's technical advisors who possesses expert-level knowledge of the design and operation of RF circuits because they may one day consult for one of Qualcomm's competitors. Despite repeated assurances that Dr. Smith is not currently engaged in the type of consulting that would lead to the disclosure of confidential information, Qualcomm has maintained its objection. Courts have rejected seeping defense assertions that plaintiff experts present a threat precisely because such assertions can be used for strategic gain:

> [Defendant] Applied's objection to Dr. Sherman is that, if Dr. Sherman is given access to Applied's confidential information, he will inevitably misuse that information if he consults for Applied's competitors in the future because the information will be in his head. However, this cannot be the standard to be applied. If it was, then a litigant could successfully object to any active industry consultant in any high technology litigation, thereby giving it the power of veto over its adversary's choice of experts . . . . Dr. Sherman has agreed to be bound by the Protective Order. Applied must look to the Protective Order and to the laws against theft of trade secrets for its protection.

Advanced Semiconductor Materials Am. Inc. v. Applied Materials Inc., 43 U.S.P.Q.2d 1381, 1383-84 (N.D. Cal. 1996). The same circumstances exist here. If Qualcomm's position is sustained, then it will have secured veto power over any and every active industry consultant in the field. Theta's hands will be tied. Dr. Smith has signed the Protective Order and Supplemental Protective Order, and Qualcomm has the additional protections offered by the laws against theft of trade secrets for its protection. *See id.*

e. The proven harm to Theta outweighs the speculative harm to Qualcomm

Qualcomm bears the burden here. The test is not whether Qualcomm fears that Dr. Smith may one day divulge protected information; rather, it is whether the degree of harm to Qualcomm, if any can be shown, outweighs the harm to Theta. *In re Deutsche Bank Trust Co. Ams.*, 605 F.3d at 1380-81. This is usually a fact-intensive inquiry of weight and degrees. *Id*.

Dr. Smith is Theta's chosen expert and has undergone a rigorous screening process in order to secure that position. Finding an expert with Dr. Smith's qualifications was no easy task – having to start again from scratch would place a great burden on Theta, especially considering the impending close of discovery and upcoming due date for opening expert reports. Indeed, regardless of the outcome of this Motion, Theta has already been harmed by the delay caused by Qualcomm's unreasonable objection.

Because Theta would suffer direct harm if Dr. Smith were disqualified and Qualcomm has yet to establish anything other than the mere specter of possible harm, Dr. Smith should not be disqualified and Qualcomm's objection should be quashed.

IV. Conclusion

Qualcomm's attempt to strike Dr. Smith and prevent Theta from using its chosen, uniquely-qualified expert cannot stand. Qualcomm has not shown and cannot show good cause for preventing Dr. Smith from viewing its confidential material. Theta has already suffered due to Qualcomm's unwarranted delay and will be further harmed if Qualcomm's baseless objection is allowed to stand. Therefore, the Court should quash Qualcomm's objection.

Dated: May 22, 2017

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document has been served on the following counsel of record on May 22, 2017by electronic service through ECF.

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